

Bond Type	Construction	Services, Supplies, Maintenance or Construction Related Services
Bid Bond	<p>Required if contract value is expected to exceed \$100,000. Prohibited if \$100,000 or less unless required by federal law or policy. <u>Amount of Bond:</u> At least 5% of amount of the bid/proposal. If bids state a rate but not total cost, the bond amount is as determined by the Procurement Officer and stated in the solicitation.</p>	<p>Discretionary for contracts expected to exceed \$50,000, unless otherwise required by federal law or policy. Generally, bid security should not be required unless a performance or payment bond is required. <u>Amount of Bond:</u> Discretionary with Procurement Officer.</p>
Performance Bond	<p>Required if contract value is expected to exceed \$100,000. Prohibited if \$100,000 or less unless required by Federal law or as a condition of Federal assistance. <u>Amount of Bond:</u> 100% of contract price. Amount may be reduced by agency head prior to solicitation if determination is made it is less costly or more advantageous to State to self insure a portion of the amount. COMAR 21.06.07.03A(2)</p>	<p>Prohibited for contracts expected to be \$100,000 or less unless required by federal law or policy. Discretionary for contracts exceeding \$100,000. <u>Amount of Bond:</u> Discretionary with Procurement Officer. Should be adequate to cover reprocurement costs that exceed original bid amount.</p>
Payment Bond	<p>Same as under "performance bond", but amount of payment bond may not be reduced by agency head to less than 50% of contract price. See COMAR 21.06.07.03B(2) for "conditions".</p>	Not required.

NOTE: Chapter 299, Laws of 2006 adds bonds provided by an individual surety to the list of acceptable forms of security.